Decoding Employee Flexibility in Global Mobility

As the global landscape continues to evolve, so too have the needs of relocating employees and their families. Meeting the requirements of a multi-generational and increasingly varied employee base is one of the most significant challenges faced by global organisations today. In order to win the talent war, businesses are looking for innovative ways to recruit, retain, and develop their human capital.

Faced with these shifts in employee demographics, mobility professionals must recognise the different needs and preferences that co-exist as a result. For instance, more experienced assignees approaching retirement age (empty nesters), are likely to be attracted by traditional company provided support, while millennials—who, according to a PwC survey, will form 50% of the global workforce by 2020—expect instant access to information and greater personalisation in the selection of benefits.

FREEDOM WITHIN FRAMEWORK

This growing divergence of needs is forcing organisations to think differently about perceived value from the employee’s perspective. This means companies are increasingly looking to put more control in the hands of the relocating employee to define the support that works best for them and their family.

This “Freedom within Framework” is broadly characterised by the business establishing core compliance elements of support, while allowing the employee to participate and/or take control in the selection of the logistical service benefits and delivery methods.

A flexible, employee-led policy can be a powerful tool that provides benefits for both employees and organisations. According to Cartus’ Relocation’s Biggest Challenges survey, 69% of respondents stated that a flexible approach to policy meets business needs, and 48% said that flexible policy meets the needs of employees. In addition to greater control for the employee, a flexible approach supports organisations to more effectively balance budget constraints with the trade-off of choice, while retaining the ability to customise the total package depending on the level of employee, family size, relocation purpose, and sending/receiving locations.
One main question asked by global mobility managers is how to control costs if flexible benefits are in the hands of employees.

**Data is King**

Irrespective of whether the flexible component of the policy is managed within a points-based system or to a predetermined financial budget, the approach to determining how to allocate the flexible policy benefits is the most time-consuming part of the design.

The first step is to gather all of your relocation cost data to include total spend, but also to focus on what is “in scope” for the flexible pillar of support. Analysing historical benefit utilisation patterns is critical to determine suitability for the benefit to be within the core or flex element of support. The analysis of the historical spend, and utilisation of the policy element, is reviewed by family size, transfer type, and geography. This will be a significant time investment, but incredibly worthwhile to ensure the design is right from the outset.

An annual review of the elements assigned as flexible benefits is recommended to maintain data validity. Comprehensive reporting is also important to regularly monitor how, and where, employees are making choices in order to flex the programme further based on employee needs, and to incorporate benefit adjustments in future evolutions of your policy.

Irrespective of industry segment, our clients cite similar reasons behind the need for change and the subsequent benefits of implementing an employee-driven flexible programme:

- **Optimised investment of mobility programmes** to where it matters most to their employees, while reducing and controlling mobility costs for the business.
- **Increased employee flexibility** and accountability enables employees to have more control in addressing their relocation needs.
- **Increased customer satisfaction** by providing adequate support, carefully calibrated by the company across all employees, despite differences in employee needs.
- **Simplified global programme** that is easily administered across locations and situations, minimising exception requests.

**THE JOURNEY TO FRAMEWORK FLEXIBILITY**

One question often asked by global mobility managers exploring an employee choice, menu-led design is how to control costs if the flexible benefit selection is in the hands of the employee. Here is how some of our clients have approached their journey from a traditional (rule-driven) policy to a core/flex framework.
CASE STUDIES
From our experience, the application of the core/flex policy framework, where the flexible benefits are selected by the employee, varies significantly depending on the industry, corporate philosophy, and talent mobility strategy of the organisation. Following are just a few examples of different approaches implemented by organisations that we have worked closely with to design flexible policy frameworks:

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TIPS FOR SUCCESSFUL ADOPTION OF A CORE/FLEX POLICY FRAMEWORK
Engagement from your HR and key business unit stakeholders is critical to successful implementation of, what could be for some organisations, a radical paradigm shift in the way the global mobility team supports business and talent objectives. Organisations that have included HR in their design process, held engagement and awareness sessions, and communicated from the top down, have achieved success since the HR business partners can champion the change and support the successful launch of the new policy framework.

Other tips to keep in mind when considering implementing a core/flex policy framework include:

- **Designing your policy to match your goals.** Make sure you match your policy design to the flexibility you are seeking. For instance, if you are looking for more consistency, you may give more weight to the core elements over the flex components. If manager/employee discretion is important, you may focus more on the flex elements, but make sure that you put processes in place to monitor usage.

- **Being mindful of compliance and duty of care.** Flexibility can be a good thing for employees and managers alike, but make sure that it doesn’t come at the expense of critical elements such as compliance and duty of care. It is your responsibility to manage, and avoid, risk whenever possible and support your employees.

- **Striking the right balance.** Find the appropriate balance between entitlement and need. Make sure that your policy aligns with your organisation’s culture and objectives to ensure success. Your organisation’s assignment objectives, tolerance for flexibility, the customs of the locations where your company relocates employees, and your cost tolerance for employee mobility all factor in and decide your core/flex approach.

If you would like more information about how to develop a core/flex policy framework, please contact your Cartus representative, or email us at cartussolutions@cartus.com.